Students First

April 3, 2017

CSCU
Connecticut State Colleges & Universities

Connecticut State Colleges & Universities System

A “system” is a purposeful organization of interrelated and interdependent entities which are dedicated to a common goal.

Our common goal is to provide students with a high quality post-secondary education that enables them to achieve their life and career goals.

We must challenge ourselves to use our strengths and collective talent to enhance student success and educational experiences.

Financial Considerations – Structural Deficit

- Structural Deficit is result of operational costs outpacing revenue
- 89% of revenue comes from State Appropriations and Tuition/Fees; 96% of students are residents paying in-state tuition rates
- Continued decline in State Appropriations; 12.4% since 2015;
- At least $35M decrease for FY 2018; higher without $700M in state savings (SEBAC)
- Deficit estimated to increase each year beyond 2018; result of increases in salaries/wages and fringe benefits
- Continued decline in enrollment with some exceptions
- 80% of CSCU costs are employees; 95% of FT employees under negotiated contracts

Financial Considerations - Summary

- Current fiscal status is unsustainable
- No sustainable cost-savings can be achieved without reductions in staff
- Hiring freezes and cost cutting have been temporary solutions with limited impact
- Tuition increases cannot cover deficit without compromising affordability and student supports
- Expedient solution is needed

Guiding Principles

- Ensure students are at the center of all decisions
- Prioritize teaching, learning, and high-quality academic programming
- Preserve and enhance student support services
- Safeguard educational access and affordability
- Be conscientious stewards of the students' and state's investments in our institutions

Recommended Strategies

Administrative Consolidation - System Wide

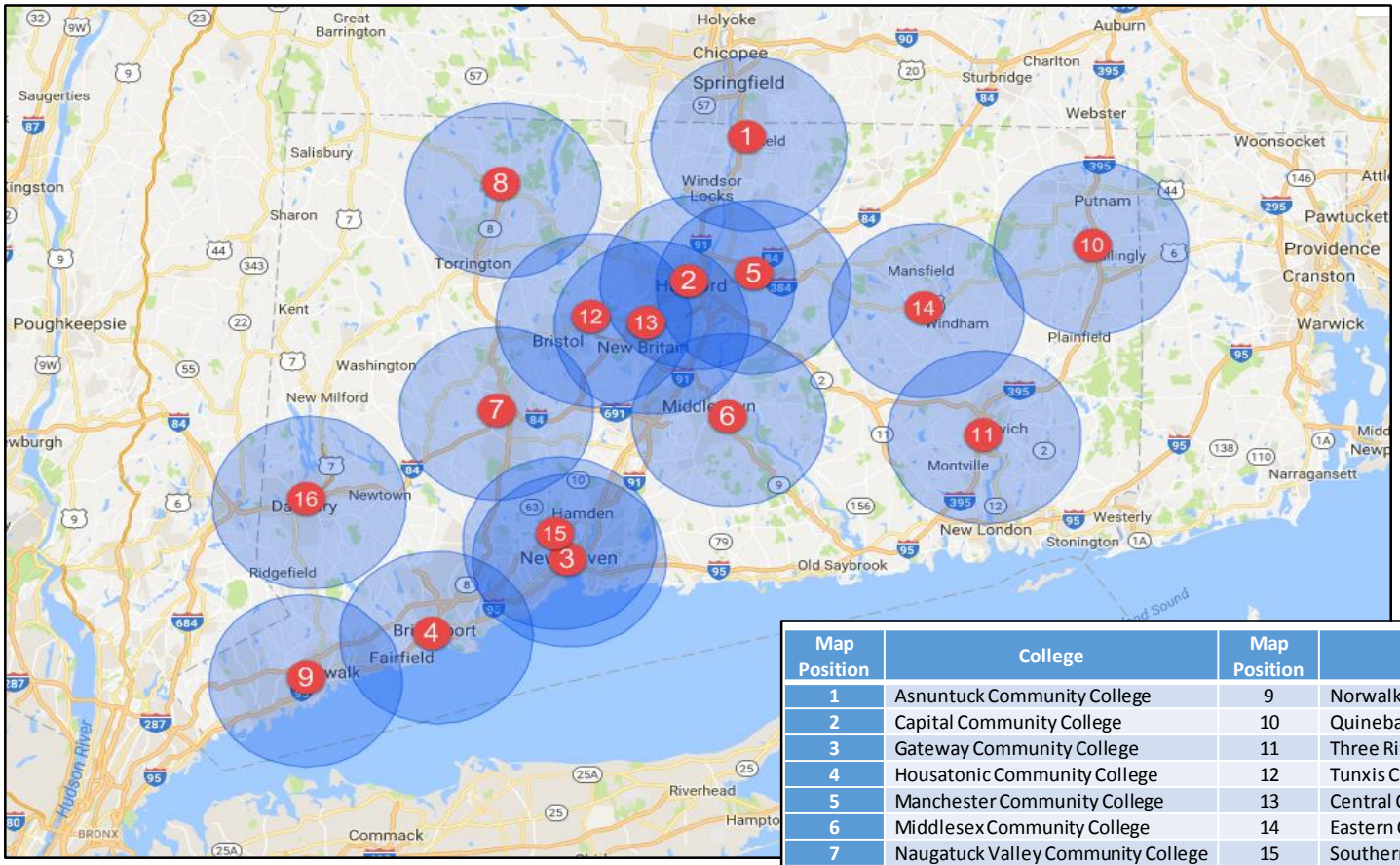
Objective: A single administrative infrastructure to eliminate redundant functions system wide and provide shared services to all universities and colleges

- Consolidate "back office" functions such as purchasing, human resources, information technology, and facilities for the universities, colleges and system office
- Reduce number of non-student facing personnel
- Leverage subject matter expertise across system
- **Savings target approximately $13M of total administrative costs (4% cut)**

<u>Considerations</u>

✓ Requires 1-2 years for implementation and realization of target savings; some implementation costs will be incurred

Proximity of CSCU Campuses



Map Position	College	Map Position	College
1	Asnuntuck Community College	9	Norwalk Community College
2	Capital Community College	10	Quinebaug Valley Community College
3	Gateway Community College	11	Three Rivers Community College
4	Housatonic Community College	12	Tunxis Community College
5	Manchester Community College	13	Central Connecticut State University
6	Middlesex Community College	14	Eastern Connecticut State University
7	Naugatuck Valley Community College	15	Southern Connecticut State University
8	Northwestern CT Community College	16	Western Connecticut State University

Organizational Consolidation- Community Colleges

Objective: One centrally managed college with campuses statewide

- Phased in consolidation of leadership and management
- Retains unique mission of colleges and local community connections
- **Savings target approximately $28M (20% cut)**

<u>Considerations</u>

✓Requires 1-2 years for implementation and realization of target savings; some implementation costs will be incurred

✓Similar initiatives across the country

Other Efforts Underway

- Restructure satellites to provide affordable solution and maintain access to higher education for students
- Leverage core competencies of Charter Oak State College to serve all colleges and universities
- Leverage Connecticut Distance Learning Consortium (CTDLC) to enhance enrollment and student support services
- Promote regional partnerships between universities and colleges to enhance academic programming and foster student success

Next Steps – Upon Board Endorsement

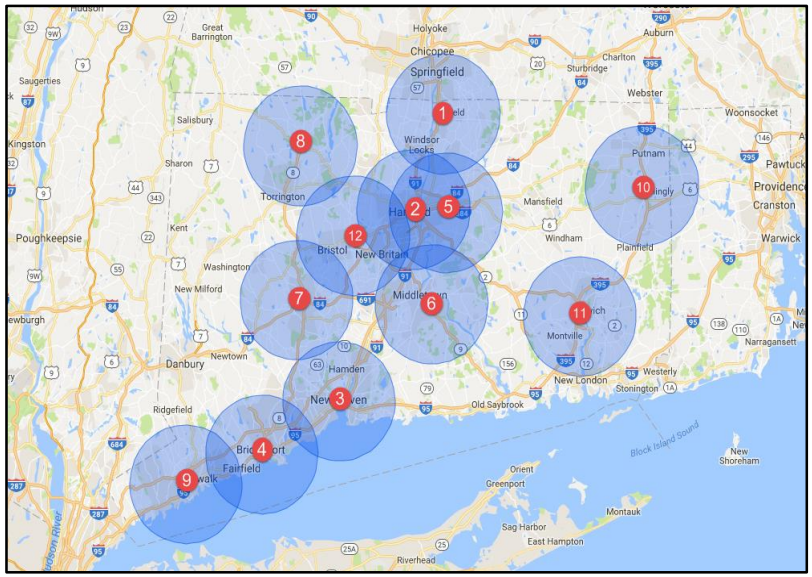
- Planning begins immediately
- Establish Implementation Teams engaging wide range of constituents
- Campus visits to share message and hear ideas

Appendix – Other Options Considered But Not Recommended

Closing of Community College(s)

- Identify locations with proximity to other institutions that could absorb student population
- Target savings of approximately $25M per location

Map Position	College	Map Position	College
1	Asnuntuck Community College	7	Naugatuck Valley Community College
2	Capital Community College	8	Northwestern CT Community College
3	Gateway Community College	9	Norwalk Community College
4	Housatonic Community College	10	Quinebaug Valley Community College
5	Manchester Community College	11	Three Rivers Community College
6	Middlesex Community College	12	Tunxis Community College



Considerations

✓Requires 1 year for implementation

✓Student access must be preserved

✓Distributes students and resources to other campuses

Option Considered But Not Recommended

Organizational Consolidation - Universities

- Phased in consolidation of leadership and management
- Savings target approximately $48M
- Retains unique mission of universities

<u>Considerations</u>

✓Requires 4 years for implementation

✓Overhaul of technology required

Option Considered But Not Recommended

Regional Consolidation – Universities and Colleges

- Universities provide shared services for community colleges in their region; universities are hubs and colleges function as branch campuses
- Keep all geographic locations
- Eliminates redundant functions
- Savings target approximately $28M

<u>Considerations</u>

✓ Requires legislative action and phased approach

✓ Follows student enrollment trends

✓ Challenge of blending different institutional missions

✓ Opportunity to promote regional partnerships rather than structural change

Option Considered But Not Recommended